

U.S. Housing Starts and Building Permits — April

Re-Start!

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Two steps backward, and one step forward?

Sure, that works. After yesterday's disappointing data on April retail sales and industrial production, the latest report on residential construction allowed one (me, for example) to exhale. **U.S. housing starts** jumped for the second month in a row, up 5.7% in April to 1.235 mln units, annualized, the highest since January. "Wait, what? Did you say the second month in a row? Weren't starts down in February and March?" Why yes, observant reader. **March saw a nice upward revision**, and instead of being down 0.3%, was actually up 1.7%. February's drop was also trimmed a bit. Ground was broken to make way for more **single-family homes** (2nd month in a row) and **multis** as well, while on a regional basis, all of the gains were in the **NE** and the **MW**; but, the **South** and the **West** slipped. More importantly, there were more signals that starts would continue to climb. **Building permits** rose for the first time December, up 0.6% in April to 1.296 mln units, annualized, the highest since the beginning of the year. Note that **permits > starts**.... That's the key point here. And with supplies still lean, housing affordability at its highest in over a year (thanks to the big drop in mortgage rates and rising incomes), and judging by the better mood of homebuilders these days, we can at least look to the housing market to be supportive of broader growth..



Housing Starts and Building Permits

United States (millions of units : a.r.)	(average)				
	Apr	Mar	Feb	3-mo.	12-mo.
Housing Starts	1.235	1.168	1.149	1.184	1.217
(m/m % chng : a.r.)	5.7	1.7	-11.0	-4.3 ¹	-2.5 ²
Single-Family Starts	0.854	0.804	0.792	0.817	0.860
Multi-Family Starts	0.381	0.364	0.357	0.367	0.358
Northeast	0.144	0.078	0.089	0.104	0.110
Midwest	0.186	0.131	0.159	0.159	0.169
South	0.581	0.616	0.650	0.616	0.629
West	0.324	0.343	0.251	0.306	0.310
Building Permits	1.296	1.288	1.291	1.292	1.293
(m/m % chng : a.r.)	0.6	-0.2	-2.0	-1.6 ¹	-5.0 ²
Single-Family Permits	0.782	0.816	0.817	0.805	0.834

¹ (3-mnth % chng) ² (12-mnth % chng)

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